GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Civil Supplies – De-Centralized Procurement – KMS 2019-20 - Bank Guarantee by Millers in 1:2 ratio - Modified –Orders – Issued.

CONSUMER AFFAIRS, FOOD & CIVIL SUPPLIES (CS-I) DEPARTMENT

G.O.MS.No. 2 **Dated: 17-01-2020**

Read the following:

1. G.O.Ms.No.01, CA,F & CS(CS.I) Dept., dt.01.01.2020.
2. VC & MD., APSCSCL, Note File No.FCS51-14040/2/2020-MRKT SEC-APSCSCL, (C.No.1070074) dated 03.01.2020.

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O R D E R:

In the GO 1st read above, orders have been issued prescribing procurement policy and operational guidelines for procurement of paddy and delivery of Custom Milled Rice during KMS 2019-20.

2. Among the guidelines, one of the conditions prescribed for allotment of paddy procured by the APSCSCL for custom milling and delivery of CMR by the rice millers is, furnishing bank guarantee by the miller @ 1:1 ratio to the value of paddy given to the miller for milling and delivery of CMR. The validity period of the bank guarantee shall be minimum 9 months with a provision of claiming period of 3 months.

3. In the reference 2nd read above, the VC & MD., APSCSCL has stated that huge arrivals of paddy are expected to the PPCs whereas paddy purchases are getting delayed for the following reasons:

1. non-acceptance of CMR by the FCI from the millers from whom dues are to be recovered under levy purchases prior to the period 2012-13.
2. lack of sortex equipment with all rice mills for entrusting of custom milling of Swarna and other equivalent varieties for supply under new scheme to be implemented w.e.f., 01.04.2020. As a result, paddy is to be given for custom milling only to the rice mills which are equipped with sortex machinery.
3. the bank guarantee given by the sortex rice mills is restricting the acceptance of paddy with the eligible amount in the absence of acceptance of CMR by FCI.
4. the millers can take delivery of paddy from the PPCs only by way of CMR deliveries which facilities rotation of acceptance of paddy within the bank guarantee amount.

4. The VC & MD., APSCSCL has requested to revise the ratio between bank guarantee and allotment of paddy from 1:1 to 1:2 ratio to facilitate speedy purchases at PPCs and to avoid inconvenience to the farmers.

5. After careful examination of the matter, Government hereby permit in partial modification of the GO 1st read above, for supply of paddy to the Rice Millers in the State in the ratio of 1:2 i.e., paddy may be allotted twice the value of bank guarantee furnished by the millers on temporary basis i.e., for kharif season only, in order to procure paddy uninterruptedly and to avoid inconvenience to the farmers.

6. The VC & MD., APSCSCL is requested to instruct all the District Managers for supply of paddy to rice millers in the ratio of 1:2 and to organize the millers into clusters or groups so that the bank guarantees of each miller will stand as surety to the others and can be enforced in the event of default by anyone in the group or cluster. The members in the cluster or group will continue to keep their bank guarantees in live till the liability of all the members in the cluster or group is discharged properly and completely by way of CMR deliveries. A supplemental agreement shall also be enforced which will be supported by the concerned District Rice Millers Association assuming all the responsibility by signing on the MOU. The

supplemental agreement shall be kept in force up to the time, the bank guarantee reaches the status from 1:2 to 1:1 ratio by way of CMR deliveries and thereafter it will subsume under main agreement.

7. The VC & MD., APSCSCL, is requested to take further action accordingly in the matter.

8. A copy of this order is available on the internet and can be accessed at the address- www.ap.gov.in; http://goir.ap.gov.in.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

KONA SASIDHAR
EX-OFFICIO SECRETARY TO GOVERNMENT

To,
The Commissioner of Civil Supplies, A.P., Vijayawada.
The VC & Managing Director, A.P. State Civil Supplies Corporation Limited, Vijayawada.
The Chief Executive Officer, SERP.
The Commissioner for Cooperation and Registrar of Cooperative Societies, A.P.,VJA.
All District Collectors.
The General Manager (A.P.), Food Corporation of India, Hyderabad.
All the Joint Collectors.
All the District Supply Officers / DMs, APSCSCL.
Copy to:
The Secretary to Govt. of India, Min. of Consumer Affairs, Food & Public Distribution, Dept., of Food & Public Distribution, Krishi Bhavan, New Delhi.
The Director General, Vigilance and Enforcement Dept, A.P.
The Principal Secretary to Govt., Revenue(CT), Dept, A.P.
The Principal Secretary to Govt., Agrl. & Cooperation, A.P.
The Special Chief Secretary to Government, Agriculture, Mktg& Coop. Dept.,
The Managing Director, A.P. State Warehousing Corpn. Ltd, Vijayawada.
The Regional Manager, Central Warehousing Corporation, Hyderabad.
The Commissioner & Director of Marketing, A.P., Guntur.
The Commissioner & Director of Agriculture, A.P., Guntur.
The Commissioner, Transport, A.P., Vijayawada.
The Commissioner, I & PR, A.P., Vijayawada.
The Secretary to Hon'ble Chief Minister for information.
The P.S to Hon'ble Minister for Price Monitoring, Food, Civil Supplies & Consumer Affairs, A.P.
The P.S to Hon'ble Minister for Agriculture and Horticulture, A.P.
The P.S to Hon'ble Minister for Marketing Department, A.P.
The President, Rice Millers Association, A.P.
The President, DRMA, EG/WG/RMWA, Krishna district
SF/ spare.

// FORWARDED :: BY ORDER //

SECTION OFFICER.